



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

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Division Director

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Governor

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Lieutenant Governor

May 5, 2004

Kay Christofferson, President, CEO
H.E. Davis Construction, Inc.
525 West Arrowhead Trail
Spanish Fork, Utah 84660

Subject: Notice of Conditional Tentative Approval to Commence Large Mining Operations, H.E. Davis Construction, Inc., Levan Chicken Creek West Mine, M/023/016, Juab County, Utah

Dear Mr. Christofferson:

The Division has completed a review of your February 10, 2004 submittal and subsequent information provided in response to our December 18, 2003 deficiency review letter. After reviewing this latest information, the Division hereby grants **conditional** tentative approval of the Levan Chicken Creek West large mine permit application. ***This conditional approval does not apply to Chicken Creek East.*** We will not be able to proceed to publish a formal notice of tentative approval until the following condition is addressed.

Condition

H.E. Davis Construction must obtain all necessary clearances and approvals from the United States Forest Service, before conducting mining activities upon existing, or currently undisturbed Forest Service managed lands to be affected under this permit application. Written evidence of the Forest Service mine and reclamation plan approval must be received by this office before we can proceed to publish our tentative approval notice.

Once we receive the required information and this condition is satisfied, we will publish a formal notice of our tentative approval decision in the appropriate Salt Lake City and Juab County newspapers. The notice will begin a 30-day public comment period. If no substantive comments are received during the public comment period, the Division will then be prepared to issue its final approval for this project.

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Kay Christofferson
H.E. Davis Construction, Inc.
M/023/016
May 5, 2004

Prior to issuing our final permit approval and prior to the end of the 30-day public comment period, we must receive:

Two (2) copies of the complete and consolidated plan;
A complete Reclamation Contract (Form MR-RC); and
The revised \$260,100 reclamation surety amount (or a larger amount if required by USFS calculations).

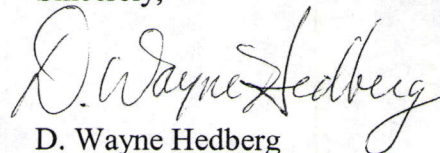
If these documents are not received prior to the end of the public comment period, the Division may revoke its Tentative Approval decision, return your permit application to you, and require a cessation of mining operations.

Please let us know which type of surety you wish to post, so we can provide you with the appropriate bonding form. Please provide us with draft copies of these completed forms before they are finalized, so that we can review them for completeness and accuracy.

Please be advised that *you are not authorized to expand your operations or create any additional mining related disturbances at this site until you receive final written approval from the Division and other appropriate agencies involved with the permitting process for this mine.*

If you have any questions in this regard please contact me, or Tom Munson of the minerals staff at (801) 538-5286 or (801) 538-5321, respectively. Thank you in advance, for your assistance and cooperation in working to complete the permit process in a timely manner.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:jb

cc: Tom Shore, U.S. Forest Service, Sanpete Ranger District
Mary Ann Wright, DOGM

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